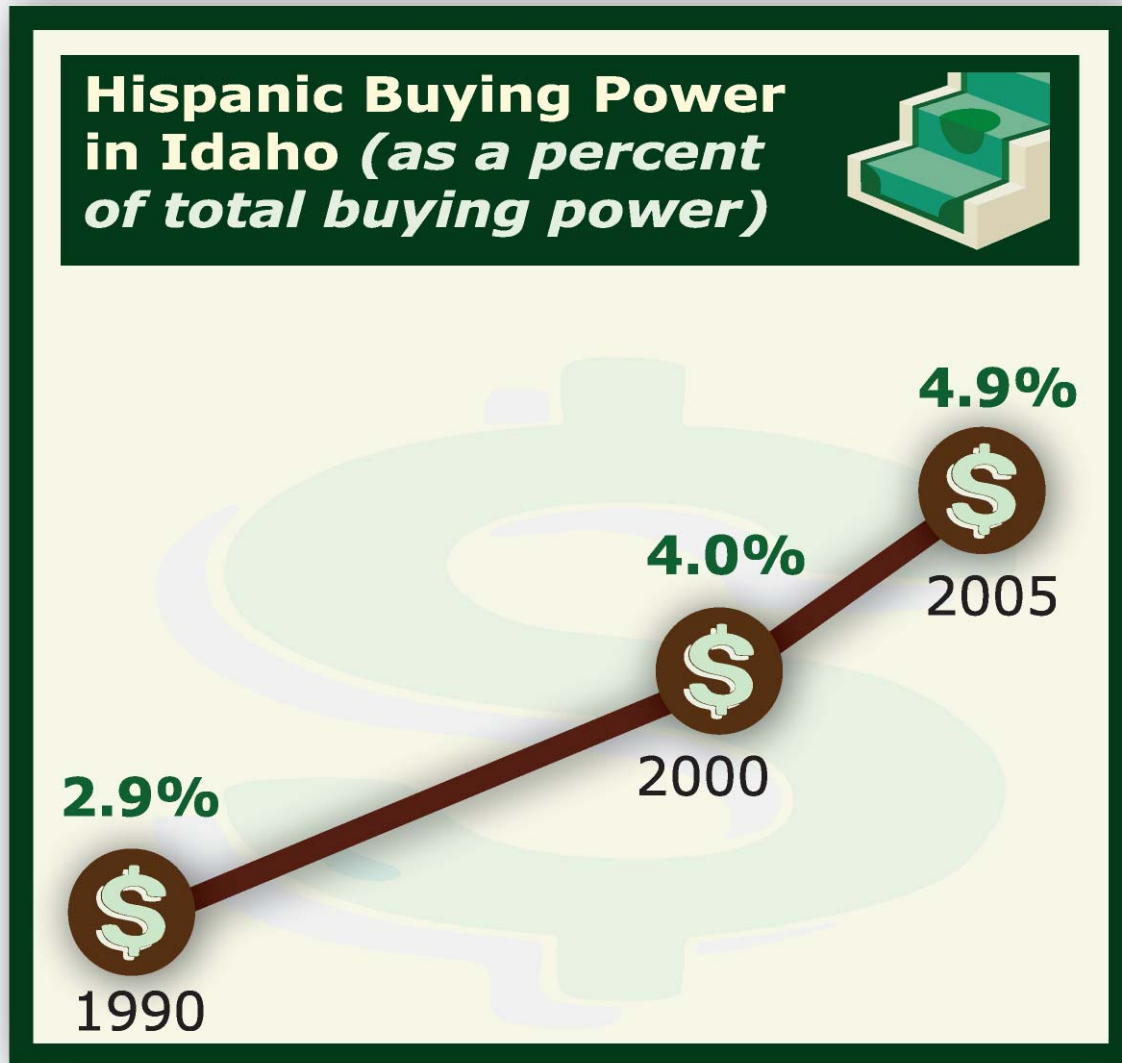


Hispanic Buying Power in Idaho



*A report from the Idaho Commission on Hispanic Affairs
in partnership with Idaho Commerce & Labor*

IDAHO
COMMERCE & LABOR

Hispanic Buying Power in Idaho

"Business owners who take the time to learn about our state's Hispanic population, income and buying power will successfully deliver goods and services to one of the fastest-growing consumer markets in Idaho."

-Roger B. Madsen, Director, Idaho Commerce & Labor

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Prepared by
Idaho Commerce & Labor
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Idaho Commission on Hispanic Affairs
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Hispanic Buying Power in Idaho

Idaho has been one of the nation's fastest growing states, increasing nearly 40 percent in total population over the past 15 years. Only Nevada and Arizona have grown significantly faster.

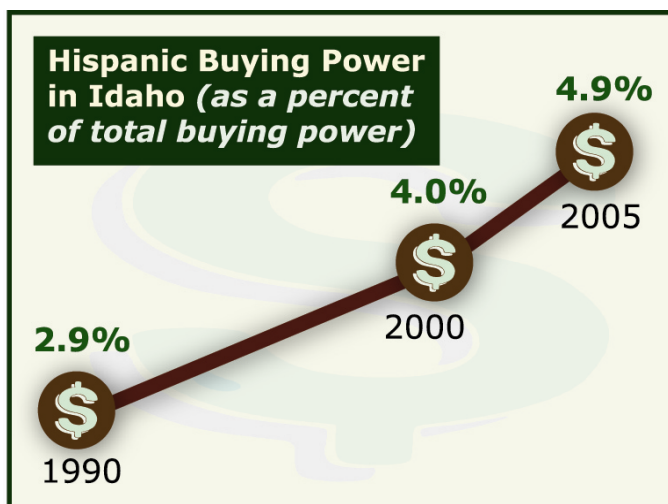
But for all the strength that expansion shows, it pales in the face of the dramatic increase in Idaho's Hispanic population — a growth rate four times that of non-Hispanic.

Once just a fraction of the population, Hispanics today account for nearly 9 percent of Idaho's people, and their impact on the economy is significantly greater in many areas. Their buying power as a percent of total buying power has nearly doubled, increasing from 2.9 percent in 1990 to 4.9 percent in 2005.

During the 1990s, when Idaho's economy was experiencing an all but unprecedented expansion, the median income of Hispanic households jumped nearly 50 percent, more than the increase experienced in non-Hispanic households. And according to the Census Bureau, the most recent expansion in the Hispanic population is more the result of births than immigration.

As it has since the turn of the century — even during the national recession in 2001-2002 — Idaho was offering all comers economic opportunities they could not find in most other states. Not only did jobs grow fast enough to keep pace with the rising population, employment opportunities grew even faster as new businesses sprung up or moved in from other states and existing ones expanded, driving unemployment across the state to its lowest levels in over 25 years.

More and more Hispanic entrepreneurs went out on their own. While the number of businesses overall increased 37 percent between 1992 and 2002, according to the Census Bureau, the number of all Hispanic businesses was up 49 percent to nearly 2,800 (601 with employees). Their sales doubled, and those businesses with employees tripled their payrolls to over \$65 million



Characteristics of Hispanic Businesses With Employees			
	1992	1997	2002
Number of Businesses	365	444	601
Number of Employees	1,705	2,617	3,149
Sales	\$102,751,000	\$195,451,000	\$285,941,000
Payroll	\$21,739,000	\$47,149,000	\$65,508,000
Source: U.S. Census Bureau			

in those 10 years. This has translated into a substantial increase in Hispanic buying power across the state.

According to the Selig Center for Economic Growth at the University of Georgia, this growth is making the Idaho consumer market more diverse, creating new opportunities for businesses that reach out to this expanding economic bloc through product line and advertising.

The Selig Center estimates the buying power of Hispanics in Idaho at nearly \$1.8 billion in 2005, accounting for nearly 5 percent of the total buying power in Idaho. That was up 350 percent from less than \$400 million in 1990 (See *Appendix — Idaho Hispanic, Total Buying Power, 1990-2004*).

By comparison, buying power for all Idaho residents rose less than half that much — 158 percent in the same period. That was the fifth highest increase in overall buying power among all the states. Nevada, Arizona, Colorado and Utah were higher.

The explosive population growth of Hispanics is not the only reason for the increase. On a per capita basis and adjusted for inflation from 1990 to 2005, Hispanic buying power grew more than 43 percent while overall buying power in Idaho was up 40 percent (*Appendix — Per Capita Buying Power, Hispanic and Total in 1990s Dollars*).

Distribution of Household Income by Percentage (2003)		
Item	Hispanic	Non-Hispanic
Total	100	100
Food At Home	10.4	7.4
Food Away	6.1	5.3
Alcoholic Beverages	0.9	1.0
Housing	35.6	32.7
Apparel & Services	5.1	3.9
Transportation	19.6	19.0
Health Care	4.2	6.1
Entertainment	3.6	5.2
Personal Care	1.4	1.3
Reading	0.1	0.3
Education	1.4	2.0
Tobacco & Smoking Supplies	0.5	0.7
Miscellaneous	1.2	1.5
Cash Contributions	1.7	3.5
Personal Insurance & Pensions	8.2	10.1

Source: Selig Center



Buying power is the total personal income of residents that is available after taxes for spending on virtually everything that people buy, from necessities like food, clothing and housing to luxuries like recreation equipment and vacations. It does not include money that has been borrowed or that is saved from previous years or that is spent by tourists from other states or countries.

Median income in Hispanic households in Idaho averages only about 77 percent of median household income statewide, and the household spending patterns seem to reflect that difference.

According to the Selig Center's analysis of spending in 2003, Hispanic households nationally spend 77 percent of their income on essentials — food, clothing, shelter and transportation — while non-Hispanic households in general spend an average of 68 percent. That was an increase of a percentage point for Hispanic households from 2002 — the result of escalating housing costs — while the outlay in those four essential categories was unchanged for non-Hispanic households.

Hispanic households spend a third more on food, both at home and away; a quarter more on clothing and nearly a tenth more on housing. In the case of housing, for example, non-Hispanic households average about \$100 a month more in housing expenses, but because their incomes average much higher the total outlay is a smaller percentage of their total income.

In five more years, the Selig Center estimates, Hispanic buying power in Idaho will jump another 54 percent, 20 points higher than the anticipated growth in Idaho buying power overall. That would give Hispanics over 5.5 percent of the buying power in the state.

But the implications of this growth are significantly greater than the statewide picture indicates because Hispanic growth has and will continue to vary by county across Idaho (See Appendix — *Idaho Hispanic, Total Population, 1990-2004*).

In 1990, Minidoka County in south central Idaho was the only Idaho county where Hispanic households had 10 percent of the buying power. Minidoka also had the largest Hispanic concentration in the state at nearly 20 percent (*Appendix — Hispanic Buying Power as a Percent of Total*).

But by 2005, Hispanic households in seven of Idaho's 44 counties claimed 10 percent or more of the buying power in their counties, and those in Clark County controlled more than a fifth, albeit Clark is the only county with fewer than 1,000 residents. In addition to Minidoka, the others are Power, Canyon, Jerome, Owyhee and Gooding.



ing power as compared to the rest of the state. The Hispanic contribution is estimated to continue growing throughout the coming decades and add to Idaho's diverse and vibrant economy.



We are in the presence of a new cultural and sociological phenomenon, one that has quietly grown over the last 10 years. Hispanic population is growing in size and economic influence significantly. Two areas we hope to see increase;

- *Labor market – aggressive marketing to our population that will result in increased employment opportunities*
- *Education - the interest amongst Latinos pursuing a higher education will increase as employment opportunities rise*

**- Gladys M. Esquibel, chair
Idaho Commission on Hispanic Affairs**

Possibly more notable was the fact that the Hispanic share of total buying power in 16 counties more than doubled from 1990 to 2005 and rose by 50 percent or more in 15 others.

On a per capita basis, which adjusts for the faster growth of the Hispanic population, Hispanic buying power adjusted for inflation rose slightly faster than the total buying power for the state. Buying power for Hispanics grew faster than the total in 27 of the counties, underscoring the increasing economic role Hispanics are playing in Idaho.

The significant growth in Idaho's Hispanic population continues to increase its portion of total buy-

Idaho Hispanic, Total Buying Power, 1990-2004						
County	Hispanic Buying Power 1990	Hispanic Buying Power 2005	% Change	Total Buying Power 1990	Total Buying Power 2005	% Change
State	\$397,649,000	\$1,787,177,000	349%	\$14,161,345,000	\$36,477,901,000	158%
Ada	\$61,437,700	\$305,770,861	398%	\$2,904,281,959	\$8,706,001,525	200%
Adams	\$230,599	\$895,924	289%	\$45,679,862	\$90,352,879	98%
Bannock	\$27,025,322	\$53,836,643	99%	\$927,046,488	\$1,981,217,963	114%
Bear Lake	\$690,161	\$4,070,660	490%	\$85,187,904	\$165,546,600	94%
Benewah	\$522,788	\$2,573,022	392%	\$111,162,728	\$234,613,785	111%
Bingham	\$26,272,259	\$89,928,535	242%	\$526,452,012	\$1,131,178,287	115%
Blaine	\$2,745,785	\$36,537,665	1231%	\$192,641,942	\$552,511,397	187%
Boise	\$684,147	\$4,612,782	574%	\$49,710,438	\$192,749,338	288%
Bonner	\$3,710,106	\$8,795,265	137%	\$374,465,707	\$1,043,914,831	179%
Bonneville	\$20,775,029	\$110,855,334	434%	\$1,016,083,032	\$2,347,263,668	131%
Boundary	\$3,054,944	\$4,779,403	56%	\$116,886,706	\$272,184,455	133%
Butte	\$501,270	\$1,220,895	144%	\$40,795,588	\$74,303,515	82%
Camas	\$0	\$649,942	N/A	\$10,314,356	\$26,522,024	157%
Canyon	\$87,136,911	\$486,995,919	459%	\$1,268,497,858	\$4,137,695,934	226%
Caribou	\$781,882	\$2,523,748	223%	\$97,377,598	\$188,848,246	94%
Cassia	\$17,749,862	\$47,031,952	165%	\$274,401,058	\$560,104,089	104%
Clark	\$318,590	\$5,004,598	1471%	\$10,608,252	\$23,720,594	124%
Clearwater	\$861,411	\$2,443,854	184%	\$118,874,004	\$219,742,620	85%
Custer	\$652,952	\$3,249,397	398%	\$58,177,447	\$107,711,326	85%
Elmore	\$11,338,197	\$51,714,961	356%	\$297,073,048	\$756,073,733	155%
Franklin	\$2,228,305	\$9,350,370	320%	\$129,608,211	\$319,389,959	146%
Fremont	\$4,611,256	\$17,329,372	276%	\$153,119,905	\$321,065,608	110%
Gem	\$5,534,497	\$17,090,274	209%	\$167,072,976	\$417,937,708	150%
Gooding	\$7,728,244	\$37,827,057	390%	\$163,210,340	\$375,601,967	130%
Idaho	\$574,913	\$3,033,641	428%	\$193,383,680	\$408,852,668	111%
Jefferson	\$8,071,774	\$30,643,816	280%	\$232,485,866	\$544,107,107	134%
Jerome	\$5,632,648	\$54,260,725	863%	\$212,962,763	\$504,756,061	137%
Kootenai	\$8,423,254	\$60,442,201	618%	\$985,251,925	\$3,203,325,152	225%
Latah	\$2,494,663	\$11,644,217	367%	\$429,032,429	\$920,782,509	115%
Lemhi	\$661,127	\$2,655,971	302%	\$96,929,756	\$204,740,536	111%
Lewis	\$246,502	\$1,511,348	513%	\$49,262,596	\$98,259,756	100%
Lincoln	\$1,486,254	\$9,286,198	525%	\$46,813,461	\$113,261,840	142%
Madison	\$5,514,402	\$13,115,939	138%	\$332,480,539	\$805,923,630	142%
Minidoka	\$27,074,214	\$63,733,075	135%	\$271,266,166	\$503,446,978	86%
Nez Perce	\$4,215,550	\$8,414,258	100%	\$473,662,662	\$990,268,643	109%
Oneida	\$509,756	\$1,089,041	114%	\$49,150,636	\$108,470,577	121%
Owyhee	\$8,792,266	\$30,529,225	247%	\$117,768,394	\$287,945,826	145%
Payette	\$10,121,174	\$38,939,800	285%	\$230,134,697	\$565,183,309	146%
Power	\$6,858,287	\$23,868,221	248%	\$98,959,039	\$195,917,298	98%
Shoshone	\$1,885,715	\$4,813,130	155%	\$195,510,929	\$335,832,045	72%
Teton	\$1,384,391	\$17,065,539	1133%	\$48,394,903	\$189,895,526	292%
Twin Falls	\$20,821,798	\$106,432,234	411%	\$752,822,039	\$1,778,650,524	136%
Valley	\$565,896	\$1,955,042	246%	\$86,055,598	\$208,667,784	143%
Washington	\$6,244,511	\$21,677,962	247%	\$120,287,504	\$263,361,253	119%

Source: U.S. Census Bureau, Selig Center.

County figures are apportioned according to current income and population ratios.

Per Capita Buying Power, Hispanic and Total In 1990s Dollars						
County	Hispanic 1990	Hispanic 2005	% Change	Total 1990	Total 2005	% Change
State	\$7,435	\$10,661	43%	\$13,995	\$19,592	40%
Ada	\$10,784	\$12,716	18%	\$16,759	\$24,059	44%
Adams	\$6,068	\$9,883	63%	\$12,442	\$14,821	19%
Bannock	\$9,690	\$10,306	6%	\$14,559	\$19,128	31%
Bear Lake	\$5,150	\$18,234	254%	\$11,994	\$16,771	40%
Benewah	\$4,216	\$9,653	129%	\$11,918	\$16,434	38%
Bingham	\$7,212	\$11,078	54%	\$13,940	\$18,993	36%
Blaine	\$6,899	\$8,697	26%	\$17,288	\$26,331	52%
Boise	\$8,145	\$13,637	67%	\$14,433	\$20,154	40%
Bonner	\$10,540	\$10,047	-5%	\$11,894	\$17,105	44%
Bonneville	\$6,767	\$11,231	66%	\$16,879	\$21,799	29%
Boundary	\$9,342	\$10,803	16%	\$12,003	\$16,295	36%
Butte	\$5,390	\$5,976	11%	\$14,569	\$15,890	9%
Camas	\$0	\$8,734	N/A	\$13,542	\$17,816	32%
Canyon	\$7,248	\$11,327	56%	\$12,733	\$18,712	47%
Caribou	\$4,072	\$7,092	74%	\$16,612	\$19,611	18%
Cassia	\$6,739	\$7,915	18%	\$12,956	\$17,376	34%
Clark	\$5,589	\$10,879	95%	\$13,622	\$16,465	21%
Clearwater	\$7,426	\$10,688	44%	\$13,257	\$16,723	26%
Custer	\$7,255	\$9,883	36%	\$13,516	\$16,777	24%
Elmore	\$7,051	\$10,204	45%	\$13,160	\$18,384	40%
Franklin	\$9,402	\$9,117	-3%	\$14,100	\$18,804	33%
Fremont	\$6,173	\$8,550	39%	\$13,020	\$17,429	34%
Gem	\$9,103	\$11,339	25%	\$11,911	\$17,969	51%
Gooding	\$7,346	\$9,834	34%	\$10,984	\$16,628	51%
Idaho	\$3,833	\$8,366	118%	\$12,242	\$15,390	26%
Jefferson	\$7,050	\$10,984	56%	\$13,532	\$19,678	45%
Jerome	\$5,582	\$9,245	66%	\$11,752	\$18,092	54%
Kootenai	\$7,932	\$12,956	63%	\$14,181	\$19,687	39%
Latah	\$5,544	\$10,113	82%	\$12,542	\$16,959	35%
Lemhi	\$4,722	\$10,967	132%	\$10,914	\$15,740	44%
Lewis	\$5,869	\$13,791	135%	\$11,595	\$16,380	41%
Lincoln	\$7,622	\$10,608	39%	\$11,991	\$16,939	41%
Madison	\$7,323	\$7,793	6%	\$12,744	\$17,003	33%
Minidoka	\$7,210	\$9,101	26%	\$12,926	\$16,697	29%
Nez Perce	\$10,061	\$8,172	-19%	\$13,974	\$18,919	35%
Oneida	\$9,103	\$7,815	-14%	\$12,513	\$17,890	43%
Owyhee	\$6,205	\$9,128	47%	\$10,304	\$14,777	43%
Payette	\$8,484	\$10,238	21%	\$11,285	\$17,232	53%
Power	\$7,319	\$9,866	35%	\$13,726	\$16,804	22%
Shoshone	\$7,666	\$12,309	61%	\$11,625	\$14,879	28%
Teton	\$6,180	\$12,779	107%	\$12,633	\$21,884	73%
Twin Falls	\$6,600	\$10,443	58%	\$13,033	\$17,993	38%
Valley	\$5,339	\$7,049	32%	\$13,427	\$19,255	43%
Washington	\$6,825	\$9,890	45%	\$9,928	\$15,969	61%

Source: U.S. Census Bureau, Selig Center.

County figures are apportioned according to current income and population ratios.

Source: U.S. Census Bureau.

Hispanic Buying Power as a Percent of Total			
County	1990	2000	2005
State	2.9%	4.0%	4.9%
Ada	2.2%	2.7%	3.5%
Adams	0.5%	0.7%	1.0%
Bannock	3.0%	2.3%	2.7%
Bear Lake	0.8%	2.1%	2.5%
Benewah	0.5%	0.7%	1.1%
Bingham	5.1%	7.1%	7.9%
Blaine	1.5%	4.5%	6.6%
Boise	1.4%	2.2%	2.4%
Bonner	1.0%	0.8%	0.8%
Bonneville	2.1%	3.7%	4.7%
Boundary	2.7%	1.8%	1.8%
Butte	1.3%	1.2%	1.6%
Camas	0.0%	2.3%	2.5%
Canyon	7.0%	10.1%	11.8%
Caribou	0.8%	1.3%	1.3%
Cassia	6.6%	7.1%	8.4%
Clark	3.1%	17.9%	21.1%
Clearwater	0.7%	0.9%	1.1%
Custer	1.1%	2.0%	3.0%
Elmore	3.9%	5.9%	6.8%
Franklin	1.8%	2.3%	2.9%
Fremont	3.1%	4.4%	5.4%
Gem	3.4%	3.8%	4.1%
Gooding	4.8%	8.0%	10.1%
Idaho	0.3%	0.6%	0.7%
Jefferson	3.5%	5.2%	5.6%
Jerome	2.7%	7.6%	10.7%
Kootenai	0.9%	1.4%	1.9%
Latah	0.6%	1.0%	1.3%
Lemhi	0.7%	1.1%	1.3%
Lewis	0.5%	1.3%	1.5%
Lincoln	3.2%	6.8%	8.2%
Madison	1.7%	1.5%	1.6%
Minidoka	10.2%	11.1%	12.7%
Nez Perce	0.9%	0.8%	0.8%
Oneida	1.1%	0.9%	1.0%
Owyhee	7.6%	10.1%	10.6%
Payette	4.5%	5.9%	6.9%
Power	7.1%	10.3%	12.2%
Shoshone	1.0%	1.1%	1.4%
Teton	2.9%	7.2%	9.0%
Twin Falls	2.8%	4.7%	6.0%
Valley	0.7%	0.7%	0.9%
Washington	5.3%	6.5%	8.2%

Source: U.S. Census Bureau, Selig Center.
County figures are apportioned according to current income and population ratios.

Methodology

The Selig Center for Economic Growth at the University of Georgia calculated buying power for various races and ethnicities, including Hispanics and non-Hispanics, for the nation and each of the 50 states. These estimates were calculated using national and regional economic models, univariate forecasting techniques and data from various federal government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the process has two parts: estimating disposable personal income and allocating that estimate by race or ethnicity based on both population estimates and variances in per capita income. The estimates of disposable personal income, or the total buying power of all groups regardless of race or ethnicity, are for 1990 and 2000 and equal disposable personal income as reported in the National Income and Product Accounts tables by the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System on March 28, 2005. Based on that data, the Selig Center prepared projections of total buying power for 2005-2010.

Because the Selig Center defines buying power as disposable personal income, the state-by-state estimates of the total buying power of all consumers for 1990 and 2000 are identical to the estimates of disposable personal income issued by the U.S. Bureau of Economic Analysis in 2005. Based on trends in the historical data, the Selig Center prepared independent estimates of total buying power for 2005-2010.

It should be noted that buying power is not the equivalent of aggregate money income as defined by the Census Bureau. Because the Selig Center's estimates are based on disposable personal income data obtained from the Commerce Department rather than money income values issued by the Census Bureau, the result is significantly higher estimates of buying power. The difference primarily results from the fact that the Census Bureau data are gathered through a nationwide survey sample of households and respondents tend to underreport their income. It should also be emphasized the Selig Center's estimates are not equivalent to aggregate consumer expenditures as reported in the Consumer Expenditure Survey conducted each year by the U.S. Bureau of Labor Statistics.

The Selig Center's estimates of total buying power were allocated to each racial group and to Hispanics based on Census Bureau population estimates and variances in per capita personal income by race or ethnicity.

For 1990-2010, a relative income adjustment factor was estimated for each group and each geographic area to compensate for the variation in per capita personal income, and by extension, in per capita disposable personal income, that is accounted for by race or ethnicity. These factors were calculated on an annual basis using Summary File 3 data regarding income by race and Hispanic origin from Census 2000 and per capita money income data by race for local areas that were gathered during the *1990 Census of Population and Housing*. The Selig Center also relied on national-level data obtained from the Census Bureau's Current Population Surveys.

The absence of current detailed data at the state and sub-state level clearly makes the buying power estimates and projections for all of the racial or ethnic groups less precise, increasing their statistical error.

The center's buying power estimates for Idaho were allocated among the counties by population and then weighted by the ratio that the median Hispanic and non-Hispanic household incomes of each county had to the median Hispanic and non-Hispanic household incomes of the state.